



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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JH

DAVID E. JANSSEN
Chief Administrative Officer

June 25, 2001

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATE LEGISLATIVE UPDATE

State Budget Conference Committee Report No. 11

The Conference Committee returned promptly at noon on Saturday, June 23, 2001 for the signing of the Conference Committee Report. Before the Conferees adjourned, they acknowledged the impact of the Federal phase-out of the estate tax on the State's revenues and the final reserve estimate. No specific action by the Conferees was necessary because existing State law conforms California to Federal actions on the Estate Tax. The Department of Finance's final Budget tally, released on Saturday, places the Reserve for Economic Uncertainties at \$2.201 billion (see attached).

River Parkways, Urban Parks Initiative. The Budget Conference Committee actions affecting the River Parkways Program reduced State General Fund appropriations for the acquisition of the Cornfields and Wrigley Heights wetlands by \$1 million each, and reduced or eliminated General Fund support for other river projects Statewide. The Committee's \$5 million reduction to the Urban Parks Initiative eliminates legislative augmentations for urban parks, and leaves approximately \$15 million in the Budget for allocation to local jurisdictions' urban park programs. Conference Committee staff advise that it remains unclear how these urban park funds are to be allocated, although there are discussions among legislative leadership and with the Davis Administration regarding a trailer bill for that purpose. The above actions do not affect funding of \$2.5 million for El Pueblo de Los Angeles Historic Park.

Senator Burton announced on the Senate Floor today that the Senate would take up the Budget Bill, SB 75, on Tuesday, June 26, 2001, at 6:30 p.m. The Assembly will

Each Supervisor
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reconvene upon call of the Speaker. Details of the upcoming trailer bills, which implement the spending plan, are not available at this time.

Status of County Interest Legislation

County-opposed AB 147 (Longville), which would give Sheriffs the sole and exclusive authority to ensure that the counties' equipment connecting to the California Law Enforcement Telecommunications System complies with all security requirements, passed out of the Senate on June 25, 2001 by a 33-0 vote. AB 147 will now go back to the Assembly for concurrence in Senate amendments.

County-supported AB 1421 (Thomson), which creates a mental health assisted outpatient treatment program for the seriously mentally ill, is now a two-year bill. In the absence of Senate support for funding for AB 1421 in the Budget Conference Committee, Assembly Member Thomson indicated she would hold the bill in the Senate and work with the administration to include funding for the program in the Governor's Budget for next year.

We will keep you advised.

DEJ:GK
IGR:md

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants

Revised June 23, 2001

11:00 A.M.

GENERAL FUND UPDATE CONFERENCE COMMITTEE

(ACTIONS THROUGH JUNE 22 EVENING SESSION)

(Dollars in Millions)

| | 2000-01 | 2001-02 |
|--|-----------------------|--------------------|
| Beginning Resources | \$9,139 ^{1/} | \$6,935 |
| Revenues and Transfers - Senate Bill 75 | \$77,957 | \$76,079 |
| Conference Adjustments | 46 | -921 |
| Revenues and Transfers - Revised | \$78,003 | \$75,158 |
| TOTAL, REVISED RESOURCES | \$87,142 | \$82,093 |
| Expenditures - Senate Bill 75 | \$79,918 | \$80,061 |
| Under/Over (-) Appropriated Prop. 98 | (-414) | (-4,102) |
| Conference Adjustments | 289 ^{2/} | -970 ^{3/} |
| TOTAL, REVISED EXPENDITURES | \$80,207 | \$79,091 |
| FUND BALANCE | \$6,935 | \$3,002 |
| Reserves: | | |
| Liquidation of Encumbrances | (701) | (701) |
| Set-aside for Legal Contingencies | (7) | (100) |
| Estimated Economic Uncertainties | (6,227) | (2,201) |
| PROPOSITION 98 GF MINIMUM GUARANTEE | \$29,958 | \$27,963 |

^{1/} Includes \$24.2 million increase in P98 prior year settle-up.

^{2/} Includes \$5.58 million for Energy Consultant Contracts per Governor's Executive Order D-36-01, \$37.56 million for deficiencies per SB 738, and \$16.53 million per Ch. 46, Stats. of 2001 (Restoration and repair of historic State Capitol).

^{3/} Includes \$10 million for an Administration Trailer Bill proposal (JPA PERS offset) which was rejected by the Legislature.